NATIONAL BISCUIT COMPANY

ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1955

THE YEAR IN BRIEF

	1955	1954
Net sales	$389,600,000	$376,400,000
Net income	18,300,000	19,900,000
Net income per dollar of sales	4.7 cents	5.3 cents
Net income per share common stock	2.59	2.85
Dividends declared		
Preferred stock—7%	1,700,000	1,700,000
Common stock	12,800,000	12,700,000
Per share of common stock	2.00	2.00
Net income retained in the business	3,800,000	5,500,000
Cost of plant and equipment additions	18,100,000	15,200,000
Current assets	94,800,000	102,500,000
Current liabilities	46,500,000	48,700,000
Working capital	48,300,000	53,800,000

NATIONAL BISCUIT COMPANY AND ITS CONSOLIDATED SUBSIDIARIES

Consolidated Income and Other Statistics

DOLLARS IN MILLIONS
(Except per share figures)

Year	*Net Sales*	*Income Before Federal and Foreign Taxes on Income*	*Provision for Federal and Foreign Taxes on Income*	*Net Income*	*Dividends Declared*		*Earnings Reinvested in the Business*	*Plant and Equipment Expenditures*	*Per Share Common Stock*	
					Preferred Stock	*Common Stock*			*Net Income*	*Dividends Declared*
1946	$220.2	$31.3*	$11.7	$19.6*	$1.7	$ 7.6	$10.3	$ 3.4	$2.85*	$1.20
1947	263.9	37.9	15.0	22.9	1.7	12.6	8.6	7.0	3.36	2.00
1948	296.3	36.5*	13.8	22.7*	1.7	12.6	8.4	16.8	3.33*	2.00
1949	294.4	36.4	14.7	21.7	1.7	12.6	7.4	20.3	3.17	2.00
1950	296.4	39.4	18.3	21.1	1.7	12.6	6.8	12.2	3.08	2.00
1951	329.9	33.2	17.0	16.2	1.7	12.6	1.9	17.8	2.30	2.00
1952	346.5	39.7	21.9	17.8	1.7	12.6	3.5	16.3	2.56	2.00
1953	359.0	40.8	22.7	18.1	1.7	12.6	3.8	9.8	2.61	2.00
1954	376.4	43.2	23.3	19.9	1.7	12.7	5.5	15.2	2.85	2.00
1955	389.6	39.2	20.9	18.3	1.7	12.8	3.8	18.1	2.59	2.00

DOLLARS IN MILLIONS
(Except per share figures)

Year	*Current Assets*	*Current Liabilities*	*Working Capital*	*Plant and Equipment (Net)*	*Book Value Common Stock*	*Book Value Per Share Common Stock*	*Number of Shareholders*	*Cost of Employees' Services*	*Provision for All Taxes (Except Social Security)*
1946	$ 84.3	$21.7	$62.6	$ 52.2	$ 92.1	$14.65	67,010	$ 70.5	$14.2
1947	96.8	28.8	68.0	54.9	100.7	16.01	65,441	79.6	18.1
1948	91.4	27.8	63.6	67.3	109.1	17.36	65,753	94.0	16.8
1949	89.6	31.9	57.7	81.8	116.5	18.53	64,579	101.4	17.8
1950	94.6	35.3	59.3	86.4	123.3	19.61	63,871	100.9	21.8
1951	89.0	38.0	51.0	96.4	125.2	19.91	66,682	114.1	20.5
1952	94.5	44.3	50.2	104.4	128.7	20.47	69,045	121.3	25.3
1953	95.2	43.8	51.4	105.7	132.5	21.07	69,961	126.4	26.3
1954	102.5	48.7	53.8	112.1	141.6	22.17	69,829	126.6	27.1
1955	94.8	46.5	48.3	120.1	145.3	22.76	70,281	130.3	25.0

* Includes extraordinary income of $2.5 million equal to 40 cents per share of common stock in 1946 and $1.4 million equal to 22 cents per share of common stock in 1948.

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ANNUAL SHAREHOLDERS' MEETING will be held at 2 P.M., April 11, 1956, in the West Ballroom of the Hotel Commodore, 42nd Street at Lexington Avenue, New York, N. Y. Shareholders who cannot attend the meeting are urged to exercise their right to vote by proxy. Proxy form, proxy statement, and a return envelope will be sent to shareholders on March 6, 1956.

NATIONAL BISCUIT COMPANY

449 WEST 14TH STREET, NEW YORK 14, N.Y.

Report of the President

The year 1955 was one of expansion and growth. A number of new biscuit and cracker varieties, cereal products, and prepared cake mixes were introduced and accepted promptly by consumers. Our new Philadelphia Bakery was completed and construction of another large biscuit and cracker bakery was begun at Fair Lawn, New Jersey. The Company's total sales reached new highs, both in dollars and physical volume.

Our sales increases, however, were not accompanied by profit increases, and our earnings for the year were down 8.2 per cent from the 1954 figure.

There were two principal reasons for this decline. First was the sizable increase in advertising and promotion expenditures incident to marketing the new Dromedary line of cake mixes. Second was the additional expense incurred in launching our new Special Products Division for the distribution of our cereal and pet-food products. In each instance, the level of sales achieved by these new divisions in 1955 did not contribute sufficient income to offset the introductory costs.

This adverse effect on profits was not unexpected. In our report on the Annual Meeting of Shareholders last spring we outlined the ambitious promotion programs planned for our new products and stated that we were making a sizable investment which we could not hope to recover in one year.

We have gained an important share of the growing and substantial cake-mix market, a natural field of activity for National Biscuit Company. The expansion of our cereal and pet-food lines is both desirable and necessary. We plan to continue our efforts confident that further increases in sales of these products will bring improvement in the profit picture in each succeeding year.

Sales at new high

Consolidated net sales of National Biscuit Company and its subsidiaries continued a steady growth to a new high of $389.6 million. The increase in sales over 1954 was $13.2 million, an advance of 3.5 per cent. As prices of finished products in 1955 remained approximately at 1954 levels, the increase was due entirely to a greater physical volume of merchandise sold.

The use of national network television as an advertising medium was continued in 1955. Our program, "The Adventures of Rin Tin Tin," televised over the American

Broadcasting Company (ABC) network, at 7:30 p.m. (New York time) each Friday, has maintained a consistently high level of popularity.

A new television series, "Sky King," was introduced in 1955. This program is shown by approximately seventy stations throughout the country at the best viewing time available in each area.

In addition to these and other uses of television, we are maintaining a flexible advertising program through daily and Sunday newspapers, magazines and radio designed to give maximum support to our sales campaigns throughout the country. Altogether $20.2 million was spent for advertising and promoting the Company's products in 1955.

Sales figures by quarters for each of the last three years are shown in the following table:

Net Sales by Quarters in Millions of Dollars

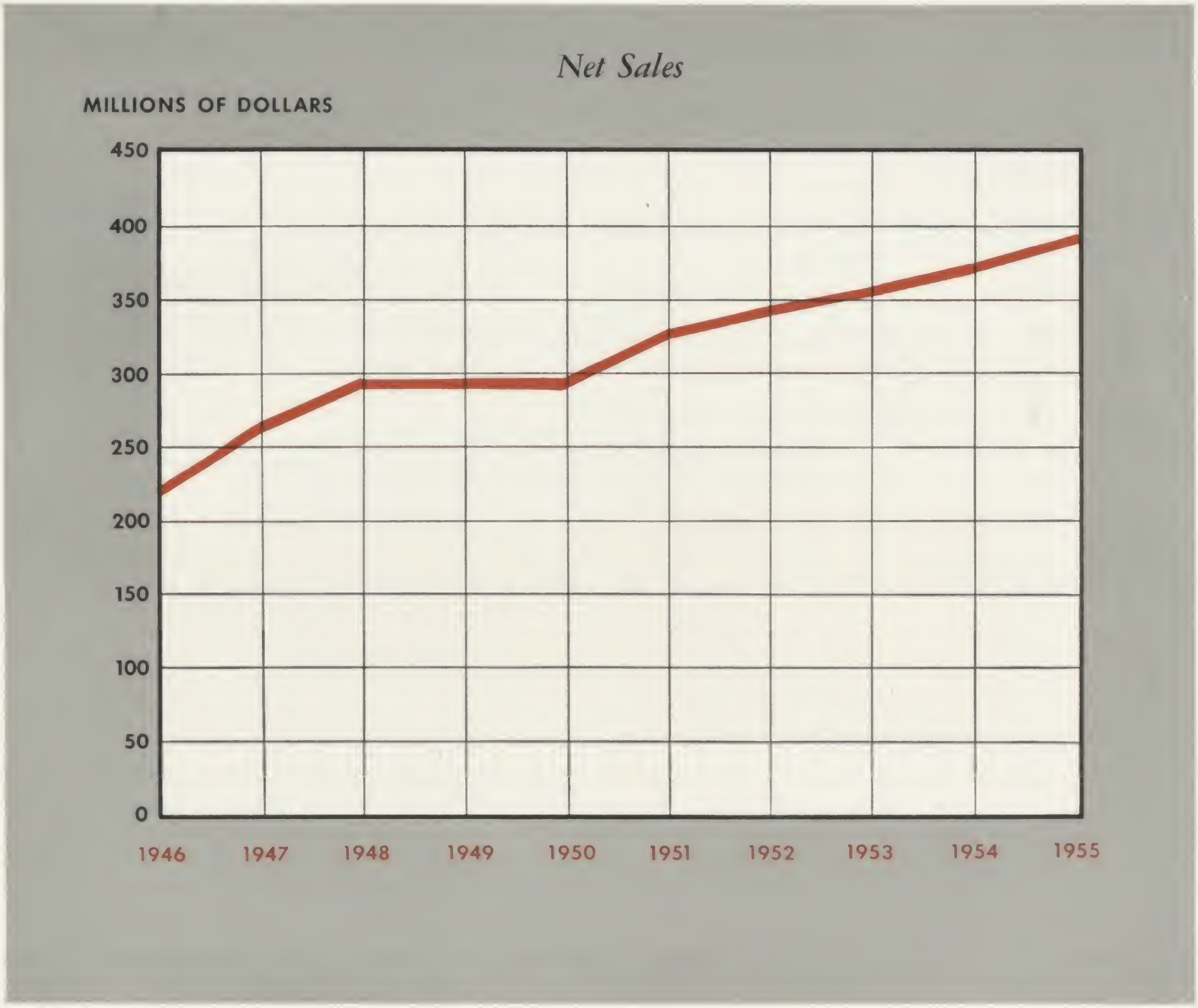
Quarter Ended		1955	1954	1953
March	31	$ 94.2	$ 88.8	$ 87.5
June	30	96.7	93.5	88.9
September	30	97.0	96.0	90.4
December	31	101.7	98.1	92.2
	Total	$389.6	$376.4	$359.0

Profits declined

Consolidated net profits for 1955 totaled $18.3 million compared with $19.9 million in 1954. This was equal, after providing for dividends on the preferred stock, to $2.59 per share of common stock in 1955, as against $2.85 in 1954.

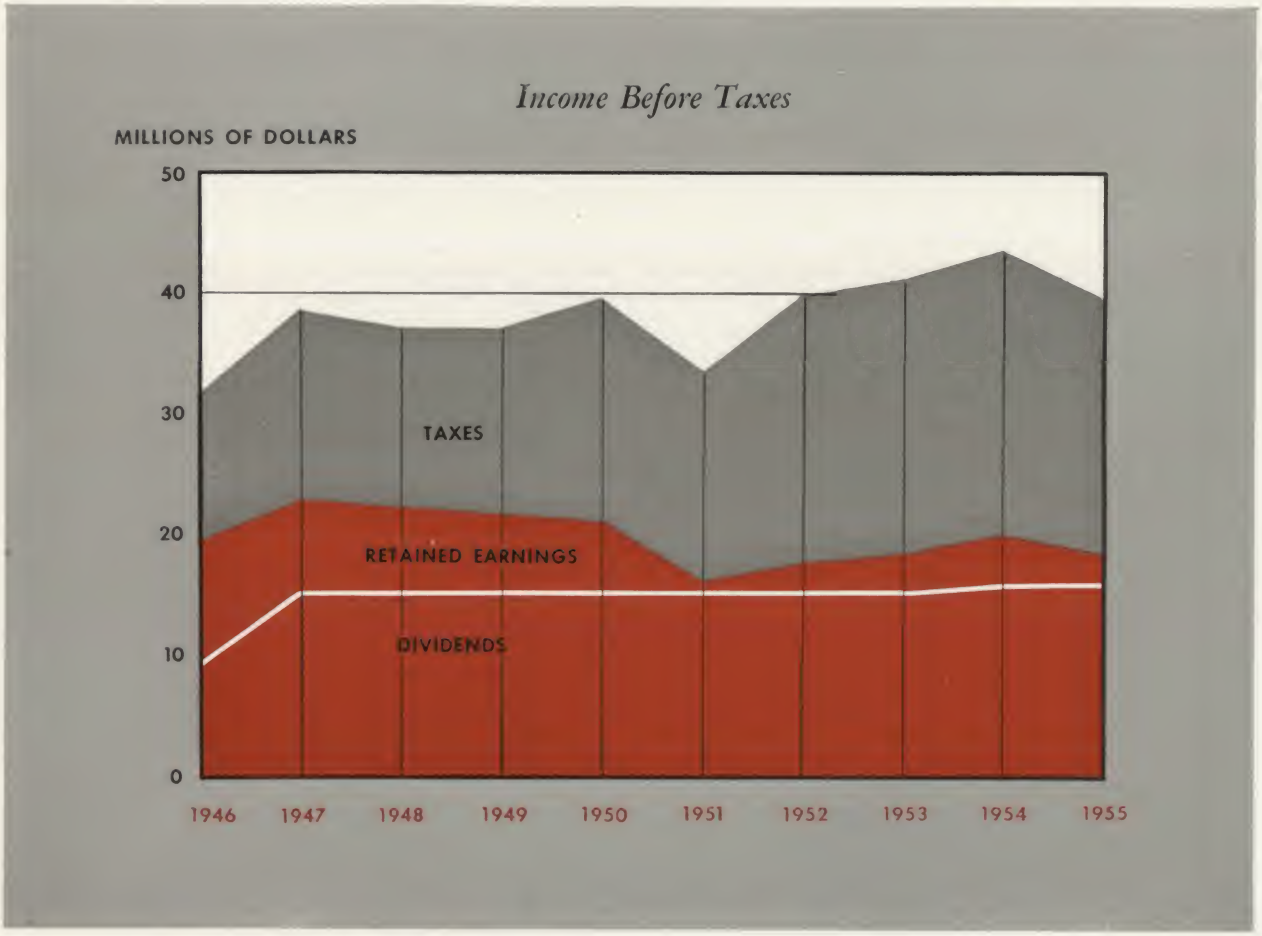
We have previously mentioned the effect

NABISCO's New Philadelphia Bakery, which began operations last December, will reach full production within a few months. The attractive plant faces U. S. Highway 1, in northeast Philadelphia.



which Dromedary Division and Special Products Division operations had on this year's profits. We would like to discuss these activities in more detail here.

Organization of the Special Products Division was started on October 1, 1954, and completed June 30, 1955. It is now operating nation-wide. Prior to its formation we, unlike our competitors, distributed our pet foods and cereal products directly to our customers through our Company-operated branch warehouse organization. This was expensive and, while very necessary in the case of biscuit and cracker products with relatively short shelf-life, unduly burdensome for products with longer shelf-life, such as pet foods and cereals. The change was made to reduce the cost of distributing these latter products and to provide means of handling other similarly long-lived products as future expansion may



dictate.

The economies arising from the change will not be realized immediately but rather over a period of time as the new Division introduces new products and expands its volume. As biscuit and cracker sales increase to the point that this, our principal line of business, can fully utilize space and facilities formerly devoted to cereals and pet foods, further economies will appear.

The Dromedary Company, a division of National Biscuit Company, is successor to The Hills Brothers Company, formerly a subsidiary, dissolved on May 24, 1955. This division introduced several new cake mixes during the year, and in a period of a few months captured a fair share of the market. To obtain this wide distribution as rapidly as possible, it was necessary to initiate and maintain extensive advertising and promotion activities. We feel that this is a fundamentally sound business which we should be in and that the future will justify the expense of getting started.

Finances

Net working capital at the close of 1955 amounted to $48.3 million. Of this amount $28.7 million consisted of "quick assets" (cash and government securities) which decreased $13.0 million from $41.7 million at the close of 1954. Analysis is as follows:

Funds were added to the business

- by the excess of net profits earned during the year over dividends paid to shareholders, i.e. net profits retained in the business . . . . . $3.8 million
- from depreciation allowances during the year, which, while reducing earnings, do not represent an outlay of funds and thus add to the funds in the business . 9.5 million
- by increased accounts payable liabilities . . . 1.5 million
- from disposal of assets no longer needed . . . 0.5 million

Funds were used

- for investment in larger inventories and accounts receivable . . . . . $5.5 million
- for purchase of land, buildings and equipment . . 18.1 million
- to reduce tax liabilities . 3.7 million
- to reduce notes payable to bank (foreign) . . 1.0 million

Changes in Consolidated Working Capital

(All amounts are expressed in thousands of dollars)

	1955	1954	1953	1952	1951
RECEIVED FROM					
Sales of product	$389,628	$376,392	$359,018	$346,537	$329,925
Long term bank loan (foreign) . . .	—	—	—	4,000	—
Issuance of common stock	—	3,559	—	—	—
Interest and miscellaneous income (net)	110	110	328	411	398
	389,738	380,061	359,346	350,948	330,323
USED FOR					
Materials and services purchased . .	206,333	193,938	181,505	174,412	172,162
Wages, salaries and employee benefits .	131,095	127,291	127,089	121,980	114,814
Taxes (except social security taxes) . .	24,956	27,114	26,287	25,257	20,480
Additions to plant and equipment . .	18,094	15,233	9,799	16,334	17,805
Dividends	14,508	14,460	14,315	14,315	14,315
Other (net)	297	(441)	(849)	(535)	(946)
	395,283	377,595	358,146	351,763	338,630
Increase or (decrease) in working capital .	$ (5,545)	$ 2,466	$ 1,200	$ (815)	$ (8,307)

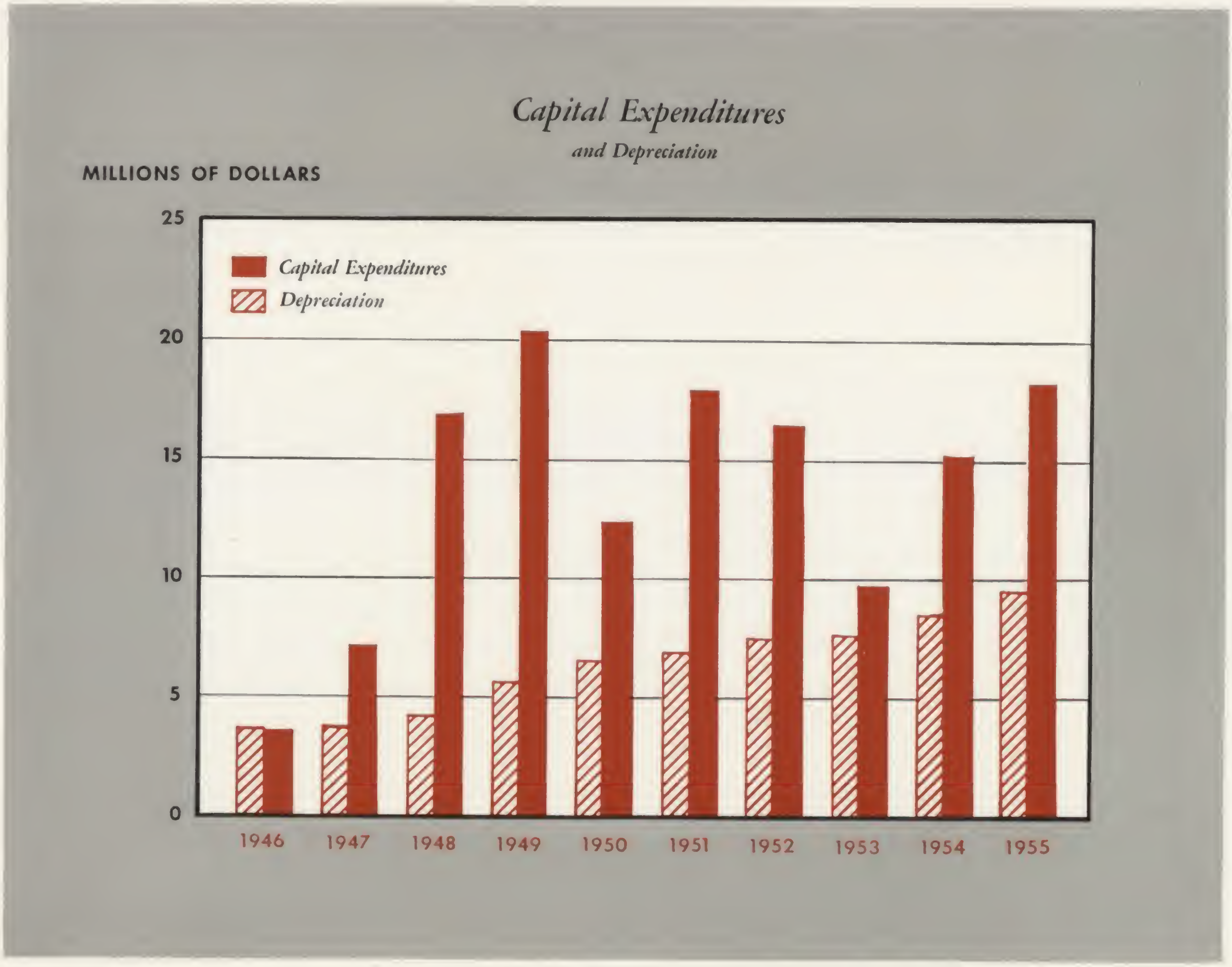
Capital expenditures

Expenditures for building sites and for new plant and equipment in 1955 amounted to $18.1 million.

Our new Philadelphia Bakery was substantially completed and production of biscuits and crackers began early in December, 1955. It is expected that this bakery will be in full operation this summer. New facilities for the production of pretzels were completed adjacent to our new Chicago Bakery. This addition will enable us to meet the growing demand for our pretzel products. Our major pretzel producing operations are located at York, Pennsylvania.

Our Canadian biscuit subsidiary, Christie, Brown & Company, Limited, is building a new cracker bakery at Montreal, Quebec. Completion of this plant late in 1956 will greatly improve our ability to supply the rapidly growing Canadian market.

In August, 1955, the Company purchased a tract of land at Fair Lawn, New Jersey, and began construction of a new bakery which will ultimately replace the present, outmoded New York City bakeries. The Fair Lawn



Bakery will be an eight-oven plant, as compared to the seven ovens in our new Philadelphia Bakery and the twelve-oven plant in Chicago. We expect this bakery to be in production by the end of 1957.

Just prior to World War II National Biscuit Company erected at Atlanta, Georgia, the first modern, band-oven bakery ever built in this country. This was the start of a series of new plants planned to rehabilitate our old and obsolete manufacturing facilities. Curtailed by the war, this program was stepped-up in 1946 and since then, new cracker bakeries have been completed at Houston, Texas; Portland, Oregon; Toronto, Canada; Chicago and now at Philadelphia. Our bakeries at Pittsburgh, Denver and Winnipeg, Canada, were completely modernized, and a new smaller bakery at St. Louis was purchased.

Since 1945 we have spent $137 million for capital improvements. Each new bakery, each new modernization project, has resulted in operating economies without which we would have been unable to do business successfully in a highly competitive market.

New research building planned

Plans have been completed for a new laboratory at Fair Lawn, New Jersey. The building will be adjacent to the new bakery and will provide the most up-to-date facilities for research, experimental engineering and, for the first time, test baking under conditions exactly duplicating those in our bakeries.

Research facilities will expand by fifty per cent immediately. We have designed the proposed building so that an additional fifty per cent increase can be provided at some future time at a minimum of building cost. We shall add trained personnel to our research staff as rapidly as possible. Our program will continue with the same two-fold objective: the discovery of new ideas and new techniques in baking—and their application in the search for new and improved products and processes.

The present laboratory baking facilities will be increased by the addition of a second band oven of semi-commercial size. This new unit will find its most important use in the development of new varieties and the perfection of new production techniques. Mechanical development facilities will be doubled enabling us to expand our efforts toward cost reduction.

Research brings new products

An expanding research program and acquisitions resulted in the largest and most successful group of new products ever introduced by the Company in a single year. The list includes biscuit and cracker varieties, cake mixes, and cereal products. Many of the new items are presented in the center pages of this report.

The Biscuit and Cracker Division items introduced in 1955 include:

WAVERLY WAFERS — a delicious, sprayed cracker, similar to RITZ CRACKERS, but with a distinctive taste and rectangular shape;

CORN THINS — a golden, oval-shaped cracker, wafer-thin and baked from a corn meal

15 NEW

PRODUCTS

IN 1955

Division

Biscuit and Cracker Division

A record turnout of more than 300 NABISCO shareholders attended the Company's 57th Annual Meeting last April at the Hotel Commodore in New York City.

formula lightly flavored with cheese;

CHOCOLATE FUDGE SANDWICH — two rich, shortbread-type chocolate cookies sandwiching a chocolate fudge filling.

The Dromedary Division brought several new cake mixes to the market which earned widespread consumer approval. Among the most popular are DEVIL'S FOOD CAKE, WHITE CAKE, YELLOW CAKE, 'HONEY 'N SPICE' CAKE, and POUND CAKE. These fine products have many new and attractive features. A foil wrapper for quality retention, twin packs of the mix to permit the baking of one cake layer at a time if desired, a baking-pan liner, and a quick-mix formula are some examples. The POUND CAKE mix includes an aluminum baking pan in the package.

The Special Products Division offered three new cereal products which substantially broaden our breakfast-food line. They are:

SHREDDED WHEAT JUNIORS — the familiar, golden-brown biscuit, but in a smaller size;

RICE HONEYS and WHEAT HONEYS — puffed-up grains of rice and wheat flavored with natural honey.

Favorable consumer reaction to these products makes us enthusiastic about their future. We believe that attractive packaging, a strong advertising and promotion campaign and the high quality of these new Nabisco

products will develop them into leaders in the food field.

Shareholders

At the end of 1955 our preferred and common capital stock was held by approximately 70,300 shareholders.

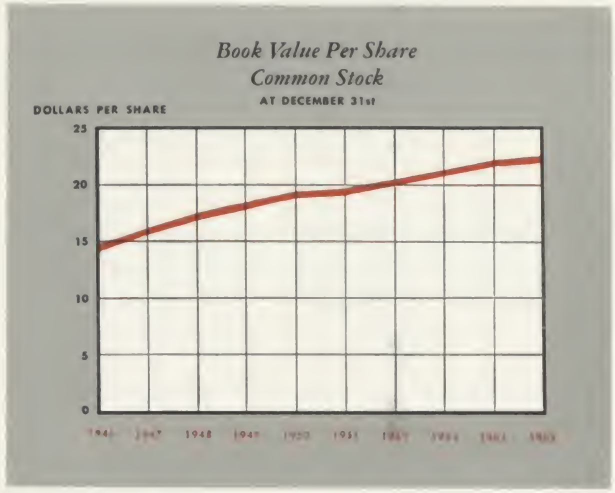
The Company maintained in 1955 its unbroken record of paying dividends every quarter on its common stock since October, 1899. Dividends on the Par Value $10 Common Capital Stock paid during the year totaled $12.8 million at the rate of $2.00 per share. The regular 7% dividend was paid on the Par Value $100 Preferred Capital Stock and totaled $1.7 million.

The book value of the common stock totaled $145.3 million at the close of 1955, equal to $22.76 per share of outstanding common stock, compared with $22.17 at the close of 1954.

Subsidiary and affiliated companies were also active

The Shredded Wheat Company, Limited, our English subsidiary, introduced a line of cake mixes in England during 1955 under the trade name of "Mary Baker." There is a large and relatively unexplored market for cake mixes in the British Isles, and the addition of these products to our cereal foods will widen our operations in the United Kingdom.

Nabisco Foods, Limited (formerly The Canadian Shredded Wheat Company, Limited) in addition to its cereal and pet-food prod-



ucts, began the sale of Dromedary dates in Canada in December, 1955. Dromedary dates were sold in Canada prior to World War II but conditions for reintroducing this product have not been favorable until now.

Christie, Brown and Company, Limited, and **Christie's Bread, Limited,** our biscuit and bread subsidiaries in Canada, continued the consistent growth they have experienced for some years.

On January 1, 1956, our Venezuelan subsidiary, **Nabisco-La Favorita, C. A.,** began to sell and distribute its products direct to the retail trade rather than through a distributor. We expect this change to add to our sales volume in that country.

Our Mexican subsidiary, **Nabisco-Famosa, S. A.,** has shown growth, both in sales and in earnings, during the past year.

Arrangements with the Italian firm of **Motta S. P. A.,** at Milan, to produce and sell certain of our products in Europe, the Mediterranean area and the Near East brought satisfactory results and we expect to see steady sales growth in these areas.

The white arrow indicates NABISCO Sales Branch at Waterbury, Conn., during last summer's devastating flood. Destruction was so complete the building was permanently abandoned.

Employee participation

We are keenly aware that the future growth and development of National Biscuit Company will proceed in direct ratio to the growth and development of its employees—who comprise the Company. Any successes enjoyed by us as a company must be the result of a broad, forward-looking personnel program aimed at providing good jobs with a good future.

This program begins with the careful selection and placement of new employees. It continues with further training on the job, and with the development of new skills of increasing value to both the employee and to the Company. It provides the incentive of steady betterment and advancement so essential to good employee morale and to the creation of the continuing source of trained, competent personnel demanded by corporate growth.

At the close of 1955 the Company had approximately 28,350 employees, substantially the same as in the previous year. The total amount of salaries, wages and fringe benefits paid in 1955 was a record $131.1 million, compared with $127.3 million in 1954.

Steady progress has been made in developing a mutual appreciation of good labor-management relations in today's economy.

Organization changes

On January 1, 1956, Roy E. Tomlinson retired as Chairman of the Board of Directors. He will remain a member of the Board. No chairman has been named.

Mr. Tomlinson's retirement ends a period of nearly 54 years of active service with the Company. He joined the Company's Legal Department in 1902 shortly after his graduation from the University of Wisconsin Law School; was appointed General Counsel in 1915, and in 1917 was elected to the presidency. He was named Chairman of the Board in 1945 and served continuously in that post until his retirement.

On August 1, 1955, John A. Hart was appointed Director of Traffic, succeeding Herbert E. Wiggin, Vice President, retired.

On December 31, 1955, Harry F. Schroeter was appointed Director of Advertising, succeeding George Oliva, retired.

A new general office

With the future transfer of our manufacturing facilities from New York City to Fair Lawn, New Jersey, there is no longer any reason to have our General Office located at 449 West 14th Street, in New York City, adjacent to the present bakeries.

We have therefore leased premises in a new building presently under construction at 425 Park Avenue, between 55th and 56th Streets, a more central location in New York City.

It is anticipated that we will occupy our new quarters shortly after the beginning of the year 1957.

The outlook

The high level of business activity which the country enjoyed in 1955 appears to be continuing into 1956. The favorable combination of a growing population and high employment should continue to serve as a stimulant to general national prosperity.

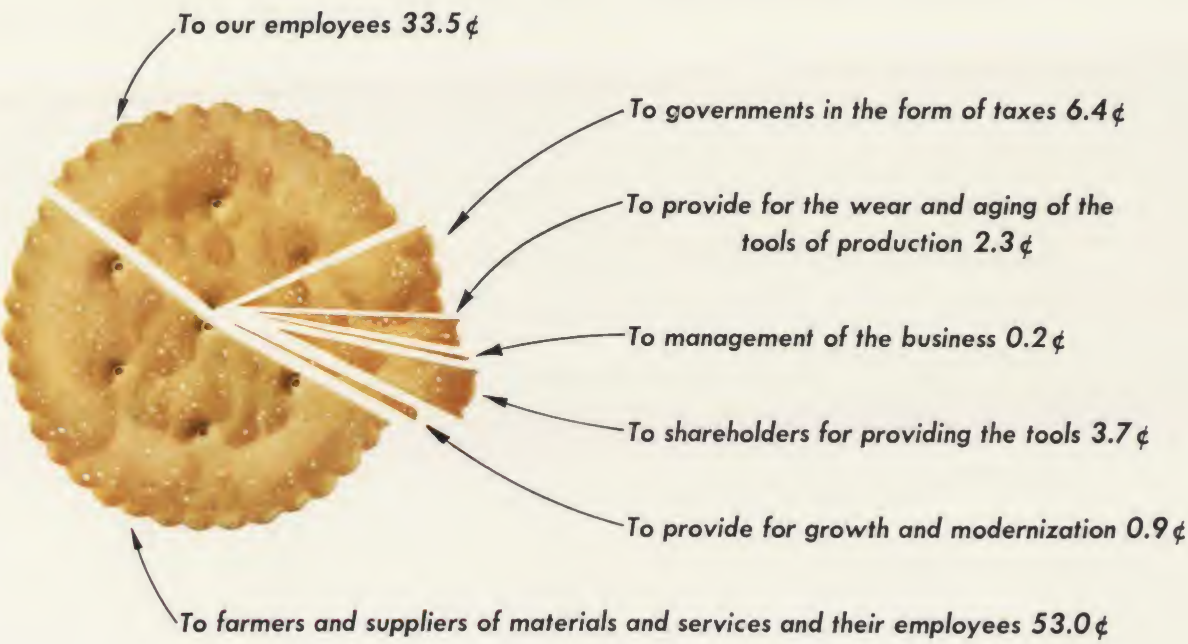
The last half of this decade should witness a further extension of business growth. We are only beginning to understand the vigor of the present American economy — and this knowledge should aid an orderly movement toward achieving the maximum benefits of its potential. While there will be occasional adjustments or leveling out in the volume of business, the long-term trend should be upward.

National Biscuit Company is in an excellent position to share fully in this prosperous period. We believe that 1956 will see our sales continue to rise and that the growth of our new divisions, undertaken in 1955, will in due course contribute to an increase in sales and earnings.

PRESIDENT

March 5, 1956

Each Nabisco Sales Dollar Produced Income:



Summary of Operations—1955

We received from sale of our products	$389,628,256
We expended for	
Raw materials, supplies and services bought from others	206,333,316
Employees' services (wages, pensions, social security taxes, etc.)	130,335,119
Direct taxes, except social security taxes	24,956,493
Estimated wear and tear on plant and equipment, less profit on disposal of fixed assets	9,076,116
Officers' salaries for management of the business	760,250
Leaving profits† which were	
Distributed as dividends to the shareholders	$ 14,508,237
Retained in the business for expansion and modernization	3,658,725

†National Biscuit Company also received $109,789 interest and miscellaneous income arising from activities not related to the manufacture or sale of its products.

Consolidated Financial Position

	December 31, 1955	December 31, 1954
Current assets		
Cash	$ 20,617,846	$ 18,336,908
U. S. Government securities (approximately market)	8,100,000	23,350,000
Accounts receivable	11,189,137	10,100,535
Inventories (*a*)	54,862,707	50,732,579
Total current assets	94,769,690	102,520,022
Less **current liabilities**		
Notes payable to bank (foreign) (*c*)	1,000,000	1,000,000
Accounts payable and accrued expenses	21,330,942	19,850,324
Common dividend, payable January 13, 1956	3,192,980	3,192,980
Reserve for federal and foreign taxes on income	20,957,258	24,642,974
Total current liabilities	46,481,180	48,686,278
Working capital	48,288,510	53,833,744
Investment in foreign subsidiaries, not consolidated	1,440,000	1,440,000
Miscellaneous investments	535,282	219,509
Prepaid expenses and deferred charges	1,724,071	1,761,597
Plants, real estate, machinery and equipment (*b*)	120,144,119	112,108,618
	172,131,982	169,363,468
Less long term notes payable to bank (foreign) (*c*)	2,000,000	3,000,000
Excess of assets over liabilities	$170,131,982	$166,363,468
Represented by		
Capital stock, preferred (Par value $100—7% cumulative, noncallable) Shares authorized 250,000, issued 248,045	$ 24,804,500	$ 24,804,500
Capital stock, common (Par value $10) Shares authorized 12,000,000, issued 6,385,961	63,859,610	63,859,610
Paid-in surplus	2,593,787	2,593,787
Retained earnings		
Appropriated		
Insurance and contingent reserve	3,726,188	3,726,188
Reserve for high-cost plant additions	12,000,000	12,000,000
Inventory reserve	5,000,000	5,000,000
Unappropriated	58,147,897	54,379,383
	$170,131,982	$166,363,468

(Notes to financial statements appear on page 19)

Consolidated Income & Unappropriated Retained Earnings

	1955	1954
Net sales	$389,628,256	$376,392,292
Cost of sales	237,933,610	233,861,789
Selling, general and administrative expenses	93,741,637	81,923,994
Contributions to pension trusts for past service	2,787,634	2,825,160
Depreciation	9,544,731	8,441,111
Taxes (other than federal and foreign taxes on income)	6,957,459	6,390,211
Interest and miscellaneous income (net)	*109,789*	*110,476*
Profit on disposal of fixed assets	*468,615*	*194,129*
Provision for federal and foreign taxes on income	20,964,838	23,342,703
Total	371,351,505	356,480,363
Net income	18,276,751	19,911,929
Unappropriated retained earnings January 1	54,379,383	48,927,434
	72,656,134	68,839,363
Preferred dividends $7.00 per share	1,736,315	1,736,315
Common dividends $2.00 per share	12,771,922	12,723,665
	14,508,237	14,459,980
Unappropriated retained earnings December 31	$ 58,147,897	$ 54,379,383

(Notes to financial statements appear on page 19)

Notes to Financial Statements

(*a*) Inventories of raw materials, supplies and finished product are stated at cost or market, whichever is lower. The cost of certain commodities is computed on the last-in, first-out (LIFO) method. Inventories comprise

	1955	1954
Raw materials and supplies	$ 36,923,237	$ 35,491,561
Finished product	17,939,470	15,241,018
	$ 54,862,707	$ 50,732,579

(*b*) Plants, real estate, machinery and equipment comprise

Cost of properties owned	1955	1954
Land	$ 8,052,419	$ 7,734,415
Buildings	79,532,195	76,883,548
Machinery and equipment	108,997,136	98,625,778
Total	196,581,750	183,243,741
Less allowances for depreciation	76,437,631	71,135,123
	$120,144,119	$112,108,618

(*c*) The notes payable to bank (foreign) are four per cent notes due in equal annual installments to 1958.

(*d*) The financial statements for 1955 include the following U. S. dollar amounts (translated at appropriate rates of exchange) in respect of the four consolidated foreign subsidiaries: net current assets and deferred charges, $3,469,656; net plant assets, $13,521,276; long term notes payable to bank, $2,000,000; and net income, $1,874,105.

Report of Auditors

TO THE SHAREHOLDERS OF
NATIONAL BISCUIT COMPANY, NEW YORK 14, N. Y.

We have examined the statement of financial position of National Biscuit Company and its consolidated subsidiaries as of December 31, 1955, and the related statement of income and unappropriated retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and income and unappropriated retained earnings present fairly the financial position of National Biscuit Company and its consolidated subsidiaries at December 31, 1955, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, N. Y.
February 6, 1956

Printed in U.S.A.

NATIONAL BISCUIT COMPANY

Board of Directors

Charles C. Auchincloss	Paul Moore
William H. Colvin Jr.	Alexander C. Nagle
George H. Coppers	Livingston Platt
Dudley W. Figgis	Carrol M. Shanks
Roy C. Gasser	Perry M. Shoemaker
Don G. Mitchell	Russell M. Shultz
George A. Mitchell	Roy E. Tomlinson
Edward S. Moore Jr.	

Executive Committee

Charles C. Auchincloss	Alexander C. Nagle
George H. Coppers	Livingston Platt
Edward S. Moore Jr.	Roy E. Tomlinson
Paul Moore	

Officers

George H. Coppers	*President*
Edward S. Moore Jr.	*Executive Vice President*
Lee S. Bickmore	*Vice President, Sales and Advertising*
Thomas F. Burke	*Vice President, Bread Department*
Howard B. Cunningham	*Vice President, Purchasing*
Harry T. Eggert	*Vice President, Personnel Relations*
George A. Mitchell	*Vice President, Finance*
Russell M. Shultz	*Vice President, Operations*
Albert T. Bullock	*Secretary and Treasurer*
Charles S. Webster	*Controller*

Everett W. Barto	*General Counsel*

Executive Offices: 449 West 14th Street, New York 14, N. Y.

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Transfer Agent: Guaranty Trust Company of New York
140 Broadway, New York 15, N. Y.

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Registrar: The First National City Bank of New York
55 Wall Street, New York 15, N. Y.

NABISCO